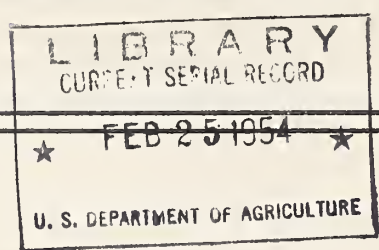


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Foreign CROPS AND MARKETS



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UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON 25, D. C.

L A T E N E W S

The 1953-54 potato harvest soon to be completed in the Union of South Africa is expected to exceed all records, according to recent reports from Pretoria. This is predicated upon continuation of the good growing conditions through February and early March which have prevailed in recent months. Unofficial appraisal of the crop indicates a harvest of 12 to 15 million bushels; some estimates are as high as 16 million bushels. This compares with 10 million bushels harvested last year and a 6.7 million bushel average before World War II.

In view of the prospect for large supplies, it has been stated publicly that the Potato Control Board is considering exporting potatoes even if it has to be done at lower than the world prices. Officially the Control Board has stated that the supply may cause no great difficulty. Figures for past years indicate that annual disappearance of potatoes in South Africa has usually been near 10 million bushels. South African exports in a recent 5-year period averaged 850,000 bushels annually and imports 150,000 bushels. If 10 million bushels is a fair estimate for domestic consumption, the more conservative estimate of 12 million bushels for the 1954 harvest would indicate an exportable supply this year of at least 2 million bushels.

(Continued on Page 104)

FOREIGN CROPS AND MARKETS

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INDIA NOT EXPECTED TO ESTABLISH PEANUT OIL EXPORT QUOTA

The Government of India is not expected to establish an export quota for peanut oil for the first half of 1954, and, in any case, not in excess of 25,000 tons, according to information available to the Foreign Agricultural Service.

India has decided to continue its present policy of licensing freely the export of mustard oil and rapeseed oil until June 30, 1954. The Government also has decided to continue to license freely the export of linseed oil on shipping bills until the end of June 1954. The period of shipment of non-utilized portions of export quotas of castor oil allotted to established shippers for August-December 1953 was extended through January 31, 1954. Licenses for castor oil are on the basis of 25 percent of exporters' total shipments in the January-July 1953 period.

India's supply of peanut oil is adequate for domestic needs following the large crop harvested in 1953. However, as a result of the mid-1953 shortage of vegetable oils, the Government is pursuing a cautious policy in respect to exports of edible oils and oilseeds.

NORWAY EXPECTS LARGER FISH OIL OUTPUT IN 1954

Norway's 1954 production of fish oils should exceed 100,000 short tons if fishing conditions remain normal, or substantially above the low 1953 outturn provisionally estimated at around 80,000 tons, reports George J. Dietz, Assistant Agricultural Attache, American Embassy, Oslo. Because of bad weather during the fishing season, herring oil output in 1953 of from 55,000 to 65,000 tons was considerably less than in 1952 when output reached 84,800 tons. Fish liver oil output also was down. Provisional data place the 1953 output between 18,000 to 22,000 tons against 31,000 tons in the preceding year.

Exports of crude herring oil from Norway during January-November 1953 were 6,097 tons, or less than half the 13,729 tons exported in 12 months 1952. In both years, Western Germany was the principal outlet followed by the Netherlands.

Total 1953 production of herring meal is estimated at between 165,000 and 175,000 tons compared with 193,000 tons in 1952. January-November exports of herring meal were 100,900 tons against 124,120 tons in 12 months 1952. Exports to the United States declined sharply in the past year.

LIVESTOCK ON FARMS IN CANADA

Numbers of both cattle and sheep numbers on farms in Canada increased 5 percent during 1953, while hog numbers dropped 10 percent, and the number of horses declined 7 percent, on the basis of a December 1 livestock survey conducted by the Dominion Bureau of Statistics.

The number of cattle and calves on farms December 1, 1953 was estimated to be 9,371,000 head and continued upward for the second consecutive year. However, the large number on hand is considerably below the peak of 10,258,000 reached in late 1944.

Sheep numbers dropped 20 percent in 1951, but have continued to increase during the past two years. The number of horses continued to decline in 1953, as in past years, as the mechanization of farms has progressed. The decline in hog numbers was the result of smaller pig crops in both the spring and fall of 1953.

CANADA: Livestock numbers on farms December 1, 1953,
with comparisons 1/

Classification:	1950	1951	1952	1953	Percent Change 1952 to 1953
	Thousands	Thousands	Thousands	Thousands	Percent
Cattle					
Milk cows	3,497	2,852	3,013	3,184	/ 6
Other cattle	4,795	5,084	5,893	6,187	/ 5
Total	8,292	7,936	8,906	9,371	/ 5
Hogs					
Under 6 months:	3,949	3,987	3,678	3,473	- 6
Over 6 months:	1,470	1,511	1,559	1,248	- 20
Total	5,419	5,498	5,237	4,721	- 10
Sheep	1,263	1,016	1,105	1,161	/ 5
Horses	1,595	1,235	1,136	1,054	- 7

1/ Not including Newfoundland for which the latest official data are these of the 1951 Census of Agriculture which showed 4,100 milk cows and heifers; 3,900 other cattle; 17,500 sheep; 2,900 horses; and 1,700 hogs; on farms; 3,300 milk cows and heifers; 2,600 other cattle; 56,100 sheep; 10,500 horses; and 1,300 hogs kept elsewhere than on farms.

SOURCE: Dominion Bureau of Statistics.

U. K. PROPOSES TO END MEAT CONTROLS

In late 1953 the Government of the United Kingdom announced its intention to end rationing, allocations and price controls on meat and to restore importing to private traders, subject to appropriate arrangements being made as a result of the existing long-term meat contracts with important suppliers. These changes, scheduled to take place this summer, will mark the end of food rationing and the end of practically complete control over the meat industries which has existed since 1939. Final decontrol actions will probably depend upon the continued availability of ample supplies of meat.

The Ministry of Food for some time will continue to import bacon, but has considered the possible return of the bacon trade to private individuals. The recently signed 3-year Anglo-Dutch bacon agreement has the provision that in the event of a decision of the Ministry to end purchases of bacon, imports from the Netherlands could be handed back to the private trade subject to the terms of the contract being fulfilled.

Livestock Marketing Proposals

Special arrangements will be made for the marketing of bacon pigs produced in the United Kingdom, which will continue to be sold on the basis of their carcass weight and grade. Control of domestic sales of bacon pigs is expected to be achieved through a Marketing Board with compulsory powers which would negotiate terms of contracts with bacon curers.

Encouragement will be given for the establishment of a board which would develop a system of selling cattle and sheep on the basis of their carcass weight and grade, and will consider proposals for a marketing board or boards with wider functions. However, it is recognized that such boards and their actions would tend to be in conflict with the desirable objectives of the exercise of free choice by consumers.

Livestock producers in the United Kingdom will be guaranteed minimum returns for livestock sold either live or on the basis of the carcass weight and grade, under the terms of the Agriculture Act of 1947. Government subsidies will be paid in an amount equal to the difference between average market prices and the support levels. Support prices will vary by grades and by seasons.

Decontrol has far reaching effects

The impacts of decontrol are expected to be far reaching. Many problems could result because of the nature of the long-term meat agreements with the Dominions and other supplying countries. The Government might have to underwrite imports at the contract prices even though trading is returned to private individuals. Consumer demands at free prices might result in marked changes in the kinds of meats consumed. To meet an expected change in consumer preference for lean pork cuts greater price premiums have already been established for lighter weight hogs.

Due to government control there has been a material reduction in the number of slaughter plants since 1939. After decontrol it is expected that some of the prewar slaughterhouses will be brought into use. Attention is now being given this situation to develop programs to control the number of plants so as to prevent increased costs of meat processing due to the lack of volume and the decentralization of the packing industry.

TURKEY'S COTTON EXPORT SALES LAGGING

Exports of 100,000 bales (of 500 pounds) of cotton from Turkey during August-November 1953 were equal to those for a corresponding period in 1952 but export sales for later delivery have been small, according to a report from L. L. Scranton, Agricultural Attache, American Embassy, Ankara. Foreign buyers have been in the Turkish markets steadily but on a small scale, apparently on a hand-to-mouth basis. Practically all old-crop stocks were disposed of early in the season, but more than half of the surplus of around 400,000 bales from the 1953 crop had not been sold at the end of December.

Japan was the principal destination for Turkish cotton exports during August-November 1953, accounting for 32,000 bales. There were no cotton exports to Japan in 1952-53 or any other recent year except for 16,000 bales in 1950-51, a year of world cotton shortage. Elsewhere sharp-to-moderate decreases in exports to Germany, Italy, France, and Czechoslovakia were partly offset by small increases in exports to Yugoslavia, Spain, Denmark, Lebanon, and Poland.

Increases in prices of Turkish cotton between early December and early February are equivalent to about one U. S. cent a pound. Quotations on February 4 at Izmir were 247 kurus per kilogram (40.01 cents a pound) for Acala I and 230 kurus (37.26 cents) for Acala II. At Adana the quotation for Acala I on the same date was 221 kurus (35.80 cents). Acala II at Izmir is the nearest to American Middling 15/16-inch and was higher by about 3.5 cents on that date than comparable quality American in United States markets. The higher level of Turkish prices is attributed to a large extent to the effect of sales under barter agreements now in effect with other countries or under negotiation. However, no large-scale export commitments have been made recently, and those in immediate prospect are small in quantity.

The production estimate for 1953-54 remains at about 643,000 bales compared with 690,000 in 1952-53. The decline is attributed to a reduction in acreage and yield per acre which in turn were attributed to outlook for more favorable prices for alternative crops and unfavorable weather at planting time.

Requirements of cotton for domestic consumption in 1953-54 are estimated at 230,000 to 250,000 bales.

PAKISTAN'S COTTON PRODUCTION DECREASES

Cotton production in Pakistan this year will probably be around 1,225,000 to 1,265,000 bales (500 pounds), according to Henry W. Spielman, Agricultural Attache, American Embassy, Karachi. This would be about 20 percent below the previous crop. Spielman warns, however, that the figure is very tentative since ginning is still in full swing at the time his report was written in late January.

This reduction was caused by a slight decrease in acreage (5 to 10 percent) along with adverse growing conditions.

An offsetting factor was the application of commercial fertilizer to cotton in the Punjab for the first time in the history of that region. The provincial government distributed ammonium sulphate for use on rice, but much of it arrived too late for that purpose and therefore was used on cotton.

The average grade of the American-type cotton now being ginned is reported to be somewhat below that of the previous year.

Exports from August through November of 1953, as shown in the accompanying table, were 309,000 bales as compared with 277,000 during the same months of 1952. Japan has been by far the largest customer in both years, taking about half the 1953 exports, followed by Hong Kong, France, and the United Kingdom.

PAKISTAN: Exports of cotton by countries of destination;
annual 1949-52; August-November 1952 and 1953

(Equivalent bales of 500 pounds gross)

Country of destination	Year beginning August 1				August-November	
	1949	1950	1951	1952	1952	1953
	1,000	1,000	1,000	1,000	1,000	1,000
	bales	bales	bales	bales	bales	bales
Belgium.....	7.5	6.5	.2	26.5	.5	4.3
Czechoslovakia.....	17.5	7.1	10.5	0	0	0
France.....	102.8	75.5	59.8	80.3	16.6	30.4
Germany.....	28.6	38.1	26.3	89.0	13.0	3.7
Italy.....	35.7	89.8	58.6	52.1	1.4	18.8
Netherlands.....	11.9	8.0	.8	8.8	1.0	.8
Poland.....	26.5	33.8	52.2	0	0	0
Spain.....	23.0	44.0	18.8	47.6	2.4	3.1
Sweden.....	2.0	15.0	.3	15.4	.6	2.2
United Kingdom.....	50.6	102.2	67.1	102.7	1.5	25.7
Yugoslavia.....	21.5	.3	0	0	0	0
Australia.....	20.1	50.6	7.9	26.1	5.7	8.5
French India.....	29.3	21.4	6.5	9.9	1.8	7.9
Hong Kong.....	196.7	119.4	66.1	100.7	21.5	47.6
China.....	39.2	108.7	300.9	96.9	73.7	0
India.....	1.9	.3	.3	0	0	0
Japan.....	123.2	280.9	234.1	517.4	109.9	141.6
United States.....	2.8	3.0	.3	9.0	.4	0
Soviet Union.....	86.3	0	0	63.1	24.6	0
Other countries.....	26.9	33.9	8.0	27.5	2.8	14.0
Total.....	854.0	1,039.0	918.7	1,273.0	277.4	308.6

Source: Government of Pakistan-Ministry of Commerce and Education and Foreign Service reports.

Since November the rate of exports has apparently fallen behind the previous year. A rough estimate of cotton licensed for export from August 1, 1953, through January 15, 1954, was 450,000 bales as compared with around 500,000 in the same period of 1952-53. This reduction has been caused by a price increase which was in turn caused by heavy mill buying and speculation.

Communist China has been buying cotton in Pakistan within recent weeks and reports indicate that such purchases may reach 125,000 bales during the current marketing year.

Mill consumption continues high and is expected to reach 325,000 to 400,000 bales during the current cotton year. Consumption for hand spinning is estimated by various sources at 35,000 to 65,000 bales.

It was announced on January 22 that the Government of Pakistan had completed plans for the purchase of Rs. 40 million (\$12,000,000) worth of foreign-made cloth. It was reported that Rs. 30 million (\$9,000,000) would be bought in Japan and Rs. 10 million (\$3,000,000) in the United Kingdom. The latter cloth will be of higher qualities. These two purchases are expected to stimulate the sale of Pakistan cotton in those two markets. Japan has not yet announced its sterling allocations for cotton purchases, but the Karachi trade expects it momentarily.

In addition to these cloth purchases it is reported that a "large quantity" of coarse cloth has been bought in India, mostly for distribution in East Pakistan. A newspaper account reports that 5 million yards have reached Chittagong and another 1,000 bales will be reaching that port before the end of February.

The Pakistan cotton trade watches closely all cotton news, prices, and Government policy statements in the United States that affect cotton trade. The American Embassy receives calls daily asking about possible changes in the cotton policy of the United States Government. Most of the Karachi newspapers carry daily reports from both the New York and New Orleans cotton markets and any special reports carried by the wire services.

The Pakistan Industrial Development Corporation has stated unofficially that it is willing to build and equip modern cotton gins, operate them one year, and then sell them to private buyers. The first report indicated that 12 gins would be bought. A number of private groups also have plans to build new gins.

COTTON CONSUMPTION IN GERMANY REMAINS HIGH

Cotton consumption in Germany, as well as cotton yarn and fabric production, continued on a high level in November and December 1953, according to a report from A. D. Foley, American Consulate General, Bremen. Cotton consumption amounted to 103,000 bales (of 500 pounds) in November compared with 89,000 in November 1952. Private sources estimated December consumption at the November level.

Cotton imports in November and December were also at a high level. From August through November they were 367,000 bales, slightly higher than the 315,000 bales imported during a corresponding period a year ago. The amounts of United States cotton included in the totals were 62,000 and 83,000 bales, respectively, reflecting a shift to Brazilian and, to a lesser extent, Mexican cotton.

The principal changes in the sources of imports during August-November 1953, as compared with the previous year, were as follows with figures for August-November 1952 in parentheses: Brazil 57,000 bales (only 300 bales), Mexico 43,000 bales (32,000), Belgian Congo 19,000 bales (31,000), Egypt 29,000 bales (53,000), Peru 27,000 bales (10,000), and British East Africa 10,000 bales (20,000).

The share of United States cotton in all-German cotton imports was 16.9 percent for the period August through November 1953 and 18.7 percent for November alone. Considerable improvement in the United States cotton position in December 1953 is indicated by preliminary figures on imports via Bremen and Hamburg. During that month 21,283 bales were imported from the United States, which was 26.7 percent of the month's total from all sources. The percentage coming from the United States is expected to rise somewhat more in subsequent months.

German stocks of raw cotton, cotton yarns, and fabrics decreased moderately during November.

L A T E N E W S----(Continued from Page 97)

The Government of Pakistan, with the cooperation of mill owners, has arrived at a voluntary system of price control, effective January 1, 1954, which reportedly reduced the prices of cotton textiles produced in West Pakistan by some 30 to 40 percent. Early in December the Government indicated that it would be necessary to introduce price controls applicable to cotton textiles if prices were not reduced voluntarily. Private interests objected to such controls on the grounds that it would adversely affect capital accumulation, encourage black marketing, and be ineffective in restraining price increases. Accordingly an ad hoc arrangement was effected to reduce cloth prices through a "gentleman's agreement." This action, coupled with the textile imports reported elsewhere in this issue, reflects the desire of the Pakistani Government to make more textiles available to the people and thus combat inflated prices.

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Cotton arriving in Italian ports in December 1953, destined for use in Italian mills, amounted to approximately 59,000 running bales. Of this, 20,000 were from the United States, 7,500 from Egypt, 5,700 from Turkey, and 5,000 from Pakistan.

